

December 8, 2010

A Special meeting was held on December 1, 2010 at 6:00 p.m.. All board members were present. There were 25 residents in attendance.

Motion by Seppala, supported by Kut to approve the agenda. All ayes. Motion carried.

Discussion was made by Fred Stoor, representative for the Township on health insurance, in regards to the upcoming substantial rate increase in health care cost for the employees on Blue Cross. Stoor explained that renewal rate increase was about 36%. Therefore, Stoor commented, because an officer on the board chose to step down from that health insurance as of January 1, 2011, he was able to look at a less costly insurance for the five employees of the township. "Insurances that were taken into consideration, said Stoor, were United Health Care and CAM(Construction Association of Michigan)". Stoor explained that CAM rates are very good and the coverage is very similar to Blue Cross. Motion by Kut, supported by Dalpra to approve the health insurance with CAM for the township employees. Kut noted that this will be a savings of \$15,600.00 a year. Roll call was taken. All ayes. Motion carried. An employee meeting will be scheduled, stated Stoor, to go over the new insurance policy.

Lesandrini commented that because of the defeated operational millage, which was requested twice, the Crystal Falls Township board will be discussing budgets cuts. During the October meeting, Lesandrini said the audience was asked to write down their budgets reductions ideas. Lesandrini read the list of some of the ideas: eliminating health insurance for board members, getting rid of two full-time fire department drivers, re-evaluating public works and water projects and freezing all salaries. Lesandrini explained that by OSHA standards, the water department needs three people on site for digs. Resident Bev Camp suggested collecting garbage every other week. It would save on usage of the truck and man hours used, stated Camp. Lesandrini said that it would probably be feasible, except for summer, when it would get a little messy going two weeks in the hot weather. Another resident suggested cutting the township Spring and Fall cleanup, limit to just Spring, community betterment funding, board salaries by 15% and adding a 10 cent tax on each commercially cut tree and changing of the office hours. Other ideas were to turn off the intersection street lights and reevaluate the assessor's salary. Our voters, explained Steve Tinti, in August and November chose not to pass the operational millage. There are 4.75 mills on the tax bills that cannot be charged next year. One mill is \$92,000.00 for a \$437,000.00 loss in revenue. Expiring is \$276,000.00 in general operation and \$161,000.00 in fire millage, commented Tinti. There are fund balances out there, but we will have to take \$437,000.00 out of operation. The township will have \$230,000.00 to run on, stated Tinti. When you are talking about economizing or spending down our fund balance, \$437,000.00 will not be there next year, said Tinti. Tinti stated going forward the township needs to either come to a plan to economize and get the voters to invest or this township will be running on approximately \$237,000.00. There are certain things that cannot be cut in this township, said Tinti. Voting services, tax services that are out there, salaries of the officers during term of office, stated Tinti,

but when the term changes they can be adjusted. Kenney explained the township received \$383,000.00 in property taxes last year, \$112,000.00 in state shared revenues and swamp tax, \$9,000.00 in miscellaneous and about \$55,000.00 in services, for a total of \$575,000.00, but expenses were about \$626,000.00, so the township actually saw a \$50,000.00 reduction last year in its fund balance. Kenney added the township had about \$270,000.00 in the fire department fund prior to the township taking the service over. Lesandrini stated that one law suit would wipe out that fund balance. Kenney stated that the township is not spending excess amount of dollars, nor taking in excessive amount of dollars, but breaking even compared to the past years. Kenney also gave a brief synopsis of how a budget is put together. Conversation then turned to why the millage proposals failed. Several residents speculated that the reasons might include worry about money wasted on a paid fire department and lack of communicate between the township board and the voters. There were some miscommunication, commented Lesandrini. Some voters may have thought that the mileage was an increase instead of a renewal. Others thought that if voting against the millage they would pay no property taxes. However, explained Lesandrini, taxes for the school, library, youth camp, and senior center will still have to be paid. Some of the residents commented that if the fire department was an all volunteer, they probably would have passed the millage. Resident Fletch Monningh said that he picked up a copy of the budget the other day when he was in the office. "I noticed the cost of chloride, said Monningh. I personally do not care about chloride, nor do I live on a road that needs chloride, but you people (10% or so) that is probably meaningful to you." Streets light", stated Monningh, "I do not even want that street light out there. I'm the only house on that road and we have a damm street light out there". "I am not afraid of the dark" commented Monningh. We do not need street lights in the middle of nowhere." Monningh said that the question is do we want a full service township or not? I voted for the millage, but there are obviously some people here tonight that did not. If we don't, said Monningh, the message is pretty clear." Another resident suggested that the board have an evaluation sheet handed out at the end of each meeting, along with a survey type postcard sent out to the residents monthly and report information to the newspaper. Kut stated that she and Dalpra were thinking in that direction. In conclusion, Lesandrini stated that in the next few weeks the township board will go over the general fund budget line by line and recommend some cuts. Those recommendation, said Lesandrini will be discussed at the December 14th meeting.

Motion by Dalpra, supported by Seppala to adjourn the meeting. All ayes. Motion carried. Meeting was adjourned at 10:10 p.m.

Joanne Seppala/Clerk